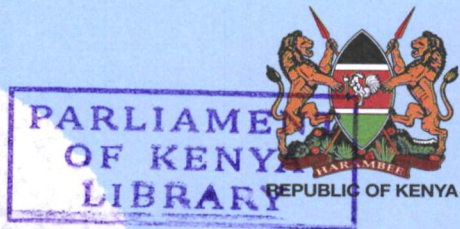


REPUBLIC OF KENYA



272

REPORT

OF

THE AUDITOR-GENERAL

4

ON

SUGUTA SUB-COUNTY HOSPITAL

FOR THE YEAR ENDED

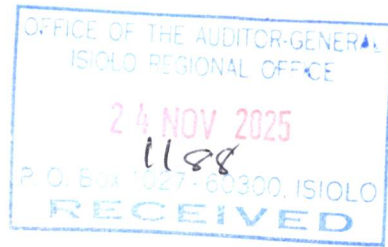
30 JUNE, 2025

COUNTY GOVERNMENT OF SAMBURU

| PAPERS LAID | |
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SUGUTA SUB COUNTY HOSPITAL

(Samburu County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

Suguta Sub-County Hospital(Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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Suguta Sub-County Hospital (Samburu County Government)
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1. Acronyms & Glossary of Terms

| | |
|---------|--|
| CSR | Corporate Social Responsibility |
| OSHA | Occupational Health & Safety Act |
| PFMA | Public Financial Management Act |
| MED SUP | Medical Superintendent |
| SSCH | Suguta Sub-County Hospital |
| OPD | Out Patients Department |
| PMTCT | Prevention of Mother to Child Transmission |
| MOU | Memorandum of Understanding |
| HCWs | Health Care Workers |
| NHIF | National Health Insurance Fund |
| KMTC | Kenya Medical training college |
| HRIO | Health Record and Information Officer |
| ANC | Ante Natal Clinic |
| HMT | Health Management Team |
| MCH | Mother Child Health |

2. Key Suguta Sub-County Hospital Information and Management

(a) Background information

Suguta Sub-County Hospital is a level 4 hospital established under gazette notice NO. 11087 and is domiciled in Samburu County under the Health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity of Suguta Sub-County Hospital is to provide Consultation, Laboratory services, MCH, Immunization, Antenatal/Postnatal, Family Planning, Nutritional Services, Pharmacy, Comprehensive Care Clinic, TB CLINIC, Maternity and Inpatient services.

(c) Key Management

The hospital's management is under the following key organs:

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Key Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|-----|--------------------------|-----------------------|
| 1. | Medical Superintendent | Dr. Donatous Chitechi |
| 2. | Head of Finance | CPA Ikale Moreschi |
| 3. | Hospital Administrator | Leakono Radet |
| 4. | Nursing Services Manager | Antonella Leakono |

(e) Fiduciary Oversight Arrangements

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee
- County Assembly
- Parliamentary committees

(f) Suguta Sub-County Hospital Headquarters

Suguta Mar Mar
P.O. Box 8-20600
Maralal, Kenya

(g) Suguta Sub-County Hospital Contacts

Telephone: (+254) 72319821

E-mail: sugutahospital@samburu.go.ke

(h) Suguta Sub-County Hospital Bankers

Suguta MarMar Health centre

Account No. 1115185403

KCB-Maralal.

(i) Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The County Attorney





County Headquarter

P.O. Box 3-20600


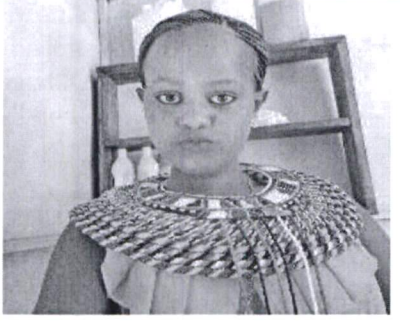


County HQS

Maralal, Kenya


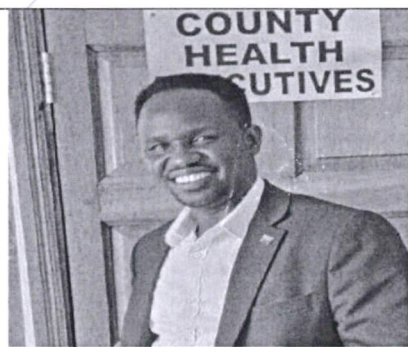
3. The Board of Management

| SN | DIRECTOR | DESCRIPTION |
|----|---|--|
| 1. |  | <p>MR. JAMES LOLKURUM– BOARD CHAIRMAN He was appointed to the hospital board on 3rd November 2023. He holds a higher Diploma in Education and Religious studies and has over 20 years working experience. Age : 49 Years</p> |
| 2. |  | <p>Kuranto Lengerded- Member He was appointed to the board on 3rd November 2023 as a board member. Attained Kenya Certificate of Secondary Education (KCSE). Age:44 Years</p> |
| 3. |  | <p>Abdi Mohammed – Member He was appointed on 3rd November 2023 as a board member. Attained Kenya Certificate of Secondary Education (KCSE). Age: 62 Years</p> |
| 4. |  | <p>Towett Kip – Member He was appointed to the hospital board on 3rd November 2023. A person living with disability. Attained Kenya Certificate of Secondary Education (KCSE). Age: 34 years.</p> |

Suguta Sub-County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

| | | |
|-----------------------------|---|--|
| 5. |  | <p>Dr. Donatous Chitechi – Medical Superintendent He is Senior Medical Officer MBCHB Services. He holds a degree in Medicine and surgery. He is the board secretary. He was appointed on 3rd November 2023. Age: 31 Years</p> |
| 6. |  | <p>Naserian Lenguranga - Member She was appointed to the hospital board on 3rd November 2023. Attained Kenya Certificate for Early Childhood Education (ECD). Age: 35years</p> |
| 7. CHANGE PICTURE |  | <p>Gabriella Lenaiyarra – Member She was appointed to the hospital board on 3rd November 2023. She Holds a Diploma in Secretarial studies with 15 years of experience Age: 40years</p> |
| 8. |  | <p>Mr. Kitumbus Lenguya – Member He is a Senior High School Teacher with a degree in Education. With an experience of 10 years in civil services. He was appointed on 3rd November 2023 Age: 38Years</p> |

4. Key Management Team

| Ref | Management | Details |
|-----|---|---|
| 1. |  | DR. DONATOUS CHITECHI Medical Superintendent He is Senior Medical Officer MBCHB Services. He holds a degree in Medicine and surgery. He is the board secretary. Age: 31 Years |
| 2. |  | MR. RADET LEAKONO Hospital Administrator He is a Senior Health Administrative Officer with a degree in Health systems management. With an experience of 18 years in civil services. |
| 3. |  | Antonella Leakono Nursing Officer In-charge Nursing Services Manager at the Hospital. She is civil servant who hold Diploma in Nursing with vast experience of Nursing for a period of 30 years. Age: 51 Years |
| 4. |  | CPA IKALE MORESCHI NGUCHU Head of Finance CPA IkaLe Moreschi Nguchu is a dedicated civil servant with over six years of professional experience in accountancy and finance. He holds a Bachelor of Commerce degree and is a Certified Public Accountant of Kenya (CPAK), Membership No. 31412. Throughout his career, he has gained extensive expertise in financial management, reporting, and public sector finance, making significant contributions to strengthening accountability and efficiency in financial operations. |

5. Chairman’s Statement

It is with great pleasure that I present the Suguta Sub-County Hospital Annual Report for 2024/2025, along with the accompanying Financial Statements. The Board of Management is proud of the significant achievements made by the hospital during this period in our journey toward becoming “A World-Class, Patient-Centered GOK Hospital.” I am particularly impressed by the dedication and “can-do” attitude of our staff, whose commitment to delivering exceptional patient care is evident across all services. These services include Medical Consultations, Maternal and Child Health, Maternity Services, Physiotherapy, Community Services, PMTCT Services, Laboratory Services, and more. Over the years, the facility has transitioned from a health center to a Level 4 hospital. With the continued support of the county government, the hospital has undergone major renovations and a facelift to ensure that our services align with those of a Level 4 facility.

The management and operations of the hospital are guided by the relevant legal, policy, and institutional frameworks that govern the healthcare sector. These frameworks ensure the efficient and effective delivery of services. The Kenyan Constitution, under the Bill of Rights, guarantees the right to the highest attainable standard of health, including reproductive healthcare and emergency medical treatment, as stipulated by the County Government health systems. These systems regulate healthcare services, service providers, health products, and health technologies.

While the hospital continues to face challenges in a dynamic healthcare environment, we remain committed to improving the quality of our services. In response to these challenges, the Board and staff are dedicated to providing the necessary resources and supporting initiatives to maintain Suguta Sub-County Hospital leadership position in the healthcare sector.

On behalf of the Board, I would like to express our sincere gratitude to all our stakeholders, particularly the County Government of Samburu and our development partners, for their unwavering support. Without their continued assistance, these achievements would not have been possible. As we enter the new financial Year, I also extend my heartfelt appreciation to the staff of Suguta Sub-County Hospital, including our hospital management team leaders, and Board members. Their pride in their work and dedication to our Suguta Sub-County Hospital mission and values are the cornerstone of our success.

Finally, I firmly believe that with the strategies in place and the committed team we have, our growth and continued success will be sustained in the years ahead, as demonstrated by our progress over time.

James Lolkurum
Chairman

Signature..........

6. Report of The Medical Superintendent

Suguta Sub-County Hospital is pleased to present its annual financial year reports. This report highlights our key achievements, challenges encountered, and future goals. We are proud to report significant progress in patient care, service expansion, and community outreach. Financial performance remained strong thanks to efficient management and strategic initiatives.

This report provides a detailed overview of Suguta Sub-County Hospital in the financial year 2024/2025. We focused on improving patient care, expanding services, and ensuring financial stability.

SSCH is an organization of excellence, a community of proactive professionals who create, pursue, perform, and achieve in support of the Facility's Mission and Vision. As I present the details of this report, it is clear the accomplishments recounted within it are the result of extraordinary collaboration by the Hospital's most important asset its human resources as a pillar. The distinctive cadres of our hospital do not matter but rather each individual plays a valued part in making this hospital a better place. During the past year, we collectively embarked on a journey to align our activities to the strategic plan, advance our vision, and deliver our services using a balanced scorecard to ensure patients and the people of Samburu County get value for their money. Even with constant exposure to challenges, we remained enthusiastic about each one's contribution to our vision.

Key Achievements

Enhanced Patient Care:

- ❖ We recruited new staff
- ❖ Patient satisfaction scores remained high, reflecting our commitment to excellent care.

Patient Satisfaction:

- ❖ We have conducted regular patient satisfaction assessments and implemented corrective actions based on feedback.
- ❖ Our patient satisfaction scores have continued to improve

Staff Training & Development:

- Staffs also underwent other specialized trainings on Theatre Nursing, Nephrology nursing, Emergency and trauma nursing and Reproductive Health
- KMTC scholarship (ophthalmology)

Service Expansion:

- Growth and acceptance of various services leading to an increase in number of patients and clients seeking health care services.
- Increased surgical care cases from 26 to 174 in the FY 2024/25
- Increased use of technology to offer quality care to clients

Suguta Sub-County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Clinical Performance

Suguta Sub-County Hospital provides essential healthcare services to the people of Samburu County and neighbouring regions. These include accident and emergency care, outpatient care, and special clinic services. inpatient care, day-care procedures for minor surgeries, and specialized care in renal and Orthopaedic trauma surgeries. The hospital also offers comprehensive clinical support services such as pharmacy, laboratory, and other diagnostic services.

SSCH is committed to ensuring that all clinical services are delivered efficiently and effectively, in alignment with modern healthcare standards and practices. The hospital continues to enhance clinical governance to prioritize patient safety and ensure the provision of high-quality healthcare.

Additionally, Suguta Sub-County Hospital plays a critical role in responding to county emergencies and disasters, formulating health policies, conducting research, and providing medical training to students.

The workload analysis for the hospital for the past financial year (2024/2025) highlights increased demand for these services as the population continues to grow and access to healthcare expands.

The following chart provides an overview of the hospital's workload trends:

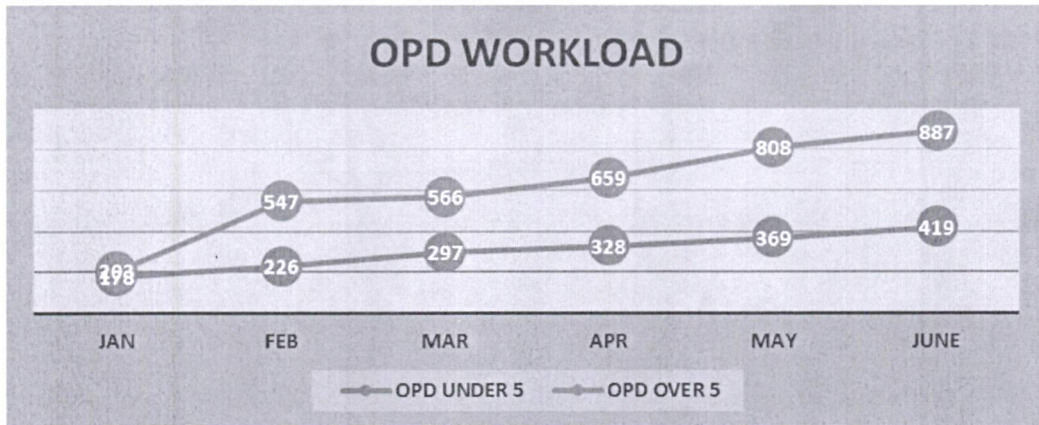
The hospital has experienced a mix of both growth and decline in patient numbers over the FY 2024/2025, but there was a steady increase in the number of patients, attributed to the expansion of services and improved healthcare access in the facility. The number of OPD clients increased from 11,362 during the FY 2024/2025 to 15,331 in the ending FY 2024/2025.

PREVALENT DISEASES IN THE CATCHMENT POPULATION

| | |
|---------------------------|-------------|
| ALL OTHER DISEASES | 1037 |
| PNEUMONIA | 387 |
| DIARRHOE | 201 |
| EAR CONDITIONS | 73 |
| CONFIRMED MALARIA | 139 |
| SKIN CONDITIONS | 39 |
| HYPETENSION | 22 |
| AMOEBIASIS | 23 |
| BURNS | 21 |
| DOG BITES | 8 |
| DISENTRY | 15 |
| EPILEPSY | 4 |
| DIABETIS | 1 |

The hospital has experienced growth in the number of patients over the period (FY2024/2025) There was a steady increase in the number of patients, attributed to the expansion of services and improved healthcare access in the facility however towards the hospital saw a decline in patient numbers due to decline in the number of insecurity cases, disease outbreaks and decrease in the number of referral cases.

A SIX MONTHS FACILITY UTILIZATION



AMBULANCE SERVICES

AMBULANCE SERVICES FOR JUNE 2023

No. of Referrals = 17 (Suguta to SCRH)

Kilometers covered = 1048 km

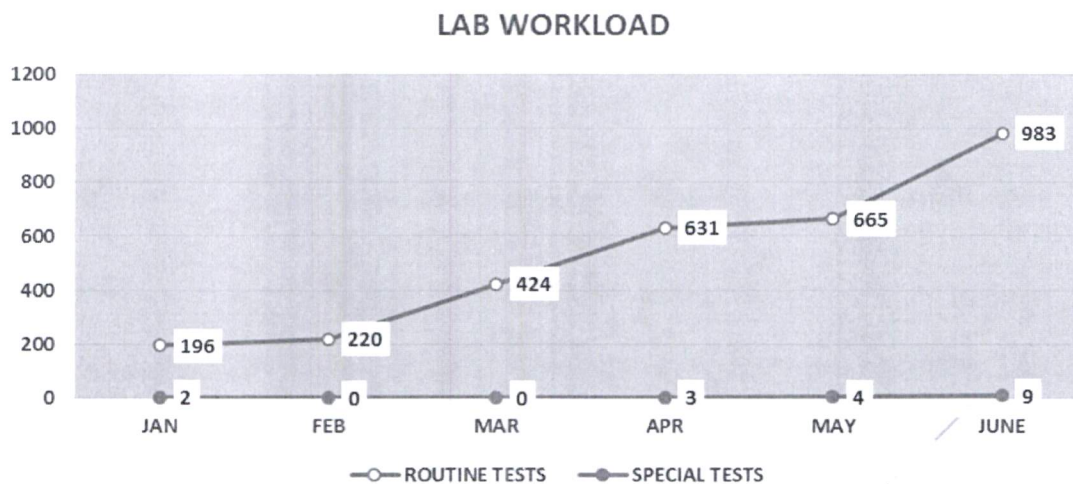
Fuel consumed = 198 Litres

NB: No Ambulance charges charged for the last 3 months

COMMODITY MANAGEMENT ASSESSMENT SCORE

| Facility | Inventory | Verification | Storage | Delivery | AVG | PI |
|---------------------|-----------|--------------|---------|----------|-----|-----------|
| SCRH | 75 | 80 | 92 | 83 | 83 | Excellent |
| Suguta SCH | 64 | 78 | 97 | 91 | 83 | Excellent |
| Kitobor Dispensary | 59 | 91 | 80 | 100 | 83 | Excellent |
| Lolgesse Dispensary | 59 | 80 | 89 | 100 | 82 | Excellent |
| Ngano Dispensary | 67 | 77 | 76 | 100 | 80 | Excellent |

LABORATORY WORKLOAD SIX MONTHS



Average Length of Stay (ALOS)

The hospital has continuously improved the average length of stay of the patients due to improved service delivery and enhanced performance monitoring.

The ALOS across different wards is approximately 5 days, indicating that most patients stay in the hospital for this duration.

The Hospital runs specialized clinics that include the following:

- Eye clinic (retinopathy, diabetes, paediatrics, retinoblastoma glaucoma etc.), on organised medical outreach programmes
- Medical outpatient clinic (MOPC).
- Reproductive Health includes specialized ante-natal and post-natal clinics, specialized gynae-clinics including oncology

The hospital has a continuous plan for outsourcing more specialist numbers by providing training in various specialties both local and international. Recognizing the improved healthcare financing, the number of patients seeking specialized healthcare is projected to grow in the future.

Healthcare financing

With the implementation of SHA, aimed at promoting universal healthcare and considering that majority of the patients at SMSCH are indigents and are not able to meet the cost of treatment; it is expected that considerations will be made on how to reimburse the cost of treatment for such persons. This will help the hospital to meet some of the pending obligations towards better healthcare provision.

Key projects

INFRASTRUCTURE

- Operationalization of the new OPD complex
- Construction of an upcoming Power House
- Construction of an upcoming Oxygen generation plant PSA

Future Outlook

Suguta Sub-County Hospital remains committed to excellence in patient care, service expansion, and community outreach. We will continue to adapt to the evolving healthcare landscape, prioritizing affordability and accessibility. We are confident that by investing in our people, technology, and community partnerships, we can ensure a healthy future for all.

Challenges and Opportunities

- **Workforce Recruitment and Retention:**

. Employment of the following HCWs.

- 1 Medical officers
- 1 Laboratory technologist
- 1 Pharmacist

- **Rising Healthcare Costs:**

❖ The increasing cost of medications and medical supplies continues to be a challenge. We are exploring partnerships with pharmaceutical companies and implementing cost-containment measures as well as partnering with non-governmental organizations.

- **Community Health Needs:**

❖ We are committed to addressing the specific health needs of our community. We plan to expand our outreach programs and develop targeted wellness initiatives at the community level.



.....
Dr. Donatous Chitechi
Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County Government Suguta Sub-County Hospital’s performance against predetermined objectives.

Suguta Sub-County Hospital develops its annual work plans based on the above-mentioned pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2024/2025 period for its strategic pillars, as indicated in the diagram below: Suguta Sub-County Hospital has five strategic pillars/themes/issues and objectives within the current Strategic Plan for the FY 2024- FY 2025. These strategic pillars/ themes/ issues are as follows:

- Clinical services
- Health care financing
- Infrastructure development
- Leadership and governance
- Health information

Suguta Sub-County Hospital develops its annual work plans based on the above five pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Hospital achieved its performance targets set for the FY 2024/2025 period for its five strategic pillars, as indicated in the diagram below:

| Strategic Pillar/Theme/Issues | Objective | Key Performance Indicators | Activities | Achievements |
|--------------------------------------|---|---|--|---|
| Clinical services | <ul style="list-style-type: none"> • To enhance quality of clinical services | <ul style="list-style-type: none"> • No stock outs of HPT • Increase uptake of maternity services | <ul style="list-style-type: none"> • Timely procurement of commodities. • Reduce referrals | <ul style="list-style-type: none"> • Efficient services • High number of deliveries conducted at the facility |
| health care financing | To increase revenue generation | <ul style="list-style-type: none"> • Revenue reports • % Increase in revenue | <ul style="list-style-type: none"> • Expand service menu • Review user fee charges • Regular training and | <ul style="list-style-type: none"> • Increased revenue generation • User fee committee for continuous review • Available procurement |

Suguta Sub-County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

| | | | | |
|-----------------------------------|--|--|---|--|
| | Empower staffs on prudent financial management | <ul style="list-style-type: none"> • Empower departmental in charges on financial management • Strengthen use financial and procurement policies | <p>capacity building</p> <ul style="list-style-type: none"> • Support supervision and audit reports | <p>and financial management SOPs and guidelines.</p> <ul style="list-style-type: none"> • Sealed revenue leakages. |
| Leadership and governance | Enhance leadership and governance capacity | <ul style="list-style-type: none"> • Constitute service delivery committees • Hold quarterly management meetings • Manage HRM | <ul style="list-style-type: none"> • Service delivery committee minutes. • Quarterly HMT and board meeting minutes. • Monthly HRM returns to county. | <ul style="list-style-type: none"> • Effective service delivery. • Good governance of the facility. • Human resource reports. |
| Health information | Strengthen and manage health information | <ul style="list-style-type: none"> • ICT system maintenance register | <ul style="list-style-type: none"> • Regular maintenance of ICT to ensure functionality | <ul style="list-style-type: none"> • Routine maintenance and upgrading of the system. |
| Infrastructure development | To open ultrasound department | <ul style="list-style-type: none"> • ultrasound machine | <ul style="list-style-type: none"> • Expand scope of services at ANC | <ul style="list-style-type: none"> • Fully functional ultrasound department. |

8. Corporate Governance Statement

Our commitment to sound corporate governance is essential to ensuring sustainable stakeholder value and fulfilling their expectations. The governance structures, procedures, and processes we have implemented are built on the core principles of accountability, transparency, responsibility, and fairness key elements of good corporate governance. Through the Board of Management, Suguta Sub-County Hospital remains fully dedicated to adhering to statutory requirements and the Code of Governance for State Corporations, among other relevant frameworks.

Roles and Responsibilities of the Board

The roles and responsibilities of the Board, as outlined in the Board Charter, are critical to guiding the hospital's strategic direction and ensuring effective governance. These include, but are not limited to:

1. Strategic Direction and Priorities

The Board is responsible for establishing the hospital's strategic direction and priorities and approving the business plans proposed by management to achieve the strategic objectives.

2. Monitoring and Evaluation

The Board ensures the effective monitoring and evaluation of strategy implementation, policy adherence, management performance, and the execution of business plans.

3. Oversight of Financial Reporting.

The Board provides oversight in ensuring transparent financial reporting to the Government and maintains clear communication with stakeholders regarding financial matters.

4. Resource Allocation

The Board ensures the availability of adequate resources to achieve the hospital's objectives, ensuring alignment with long-term goals.

5. Oversight of Business Affairs

The Board oversees the hospital's business affairs, with a particular focus on identifying and addressing emerging risks and opportunities.

6. Approval of Annual Budgets

The Board is responsible for the approval of annual budgets, ensuring that financial resources are allocated effectively to support the hospital's strategic objectives.

In addition to these key functions, the Board provides oversight to management and ensures that staff operates in full compliance with the Code of Conduct and Ethics, the Leadership Integrity Act, and the

Suguta Sub-County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

“Mwongozo” Code of Governance for State Corporations, which serve as foundational guides for our organizational culture and operations.

Through these governance practices, Suguta Sub-County Hospital remains committed to upholding the highest standards of corporate governance, ensuring effective leadership and continued success.

9. Management Discussion and Analysis

Clinical Performance

Suguta Sub-County Hospital has a bed capacity of 60. In the 2024/2025 financial year, the hospital recorded a total of 57,292 outpatient visits and 62,362 inpatient admissions. The hospital continues to provide a comprehensive range of specialized healthcare services to the residents of Samburu County and beyond. These services include Maternal and Child Health (MCH), outpatient care, physiotherapy, maternity services, and other specialized medical services. Additionally, the hospital offers critical clinical support services, including laboratory, pharmacy, and X-ray services.

The hospital is dedicated to ensuring that the clinical services it provides are safe, timely, appropriate, innovative, and effective. Our services are evidence-based and continuously aligned with modern technological advancements. Clinical governance remains a key focus, aimed at enhancing patient safety and delivering high-quality healthcare. Despite the challenges faced, including budgetary constraints, frequent industrial actions, and political factors, the hospital has experienced a steady increase in patient attendance.

Financial Performance

The hospital's revenue primarily comprises fees charged for services rendered (user fee), public contributions. For the fiscal year 2024/2025, the total revenue amounted to KES 601,354 reflecting a growth in revenue generation.

Key Hospital Projects

1. Radiology Machine Installation

The hospital will undertake the installation of a radiology machine to enhance quality services. This investment aims to improve the quality of care and diagnostic capabilities available to expectant mothers.

Challenges

The hospital faces several challenges in fulfilling its mandate, which include the following:

1. Automation

To improve service efficiency and ensure seamless integration across hospital departments, the hospital is working towards full automation. However, the hospital is currently semi-automated, which presents challenges in optimizing patient flow and preventing service leakages. A comprehensive business process re-engineering initiative is necessary to develop a robust ICT platform that supports these objectives.

2. Underprivileged and Indigent Medical Bills

A significant portion of the patients treated at Suguta Sub-County Hospital comes from within the Samburu County and its environs. Upon clinical discharge, many patients are unable to settle their medical bills, placing financial strain on the hospital. This results in shortages of essential medical consumables, as budgeted resources are depleted more rapidly than anticipated, affecting the hospital's ability to maintain service delivery.

3. Free services to all children under the age of five years, hence depleting drugs, which are expensive to buy and therefore, we hope that all parents will register with SHA, to ensure all clients are registered for SHA.
4. Hospital token payment at the facility level, since most of the revenue collected goes back to pay for electricity token.

Despite these challenges, the hospital remains committed to delivering high-quality healthcare and continues to seek innovative solutions to address these operational and financial obstacles.

Dr. Donatous Chitechi
Medical Superintendent



.....

10. Environmental and Sustainability Reporting

Sustainability strategy and profile

Suguta Sub-County Hospital exist to transform lives. It is what guides us to deliver our strategy, putting the client/citizen first, delivering health services, and improving operational excellence.

The hospital recognizes the critical role of healthcare institution in promoting environmental sustainability and creating healthier future. As responsible healthcare provider we are committed to reducing our environmental impact, implementing sustainable practices, and contributing to the well-being of our community. This environmental and sustainable report outlines our effort to foster sustainable healthcare ecosystem in Suguta Sub-County Hospital.

Waste Management and Recycling

Proper waste management is cornerstone of our sustainability initiatives. We have established a comprehensive waste management system that prioritizes the safe disposal of medical waste and the effective management of general waste. Our staff are trained in waste segregation technique (use of red, yellow and black bin liners and waste bins), Ensuring that hazardous material is handle and disposed of appropriately. The facility installed burning chamber as measure of responsible waste management. We aim to protect the environment and promote a circular economy

Water conservation

Water conservation is a vital aspect of our sustainability strategy. Suguta Sub-County Hospital has implemented measures to reduce water consumption and promote responsible water usage. We have installed water-efficient fixtures such as low-low faucets, Soaps and availability of pit latrines, additionally we have implemented rainwater harvesting systems to capture and utilize rainwater for non-potables purposes such as cleaning. Through these initiatives, we aim to conserve water resources and contribute to the sustainability of our community.

Community engagement and Education

Suguta Sub-County Hospital actively engages with the local to promote environmental awareness and sustainable practices. We organize educational campaigns, workshops and seminars to reduce staff, patient and the community about the importance of sustainability in healthcare. We collaborate with local school and community organization to develop programs that foster environmental responsibility among students and community members. By engaging and empowering our community, we foster a culture of sustainability beyond the hospital premises.

Conclusion

The Hospital is dedicated to promoting environmental sustainability and fostering a sustainable healthcare ecosystem. Through our effort in waste management, water conservation and community engagement we aim to set an example for other healthcare institutions. By prioritizing sustainability, we contribute to greener and healthier future for our community and inspire other to embrace sustainable practices. Together, we can create positive impact and ensure sustainable healthcare system for generation.

11. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2025, which show the state of the Suguta Sub-County Hospital affairs.

Principal activities

The principal activities of the Suguta Sub-County Hospital are as follows.

- Consultation
- Laboratory services
- MCH & Immunization
- Antenatal/Postnatal & Family Planning
- Nutritional Services
- Pharmacy
- Maternity
- Inpatient services

Results

The results of the Suguta Sub-County Hospital for the year ended June 30, 2025 are set out on page 1 to 30.

Board of Management

The members of the Board who served during the year are shown on page v to vi. During the year 2024/2025.

Auditors

The Auditor General is responsible for the statutory audit of the Suguta Sub-County Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board

Dr. Donatous Chitechi
Secretary to the Board



12. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 requires the Board of Management to prepare financial statements in respect of Suguta Sub-County Hospital, which give a true and fair view of the state of affairs of the Suguta Sub-County Hospital at the end of the financial year/period and the operating results of the Suguta Sub-County Hospital for that year/period. The Board of Management is also required to ensure that the Suguta Sub-County Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of Suguta Sub-County Hospital. The council members are also responsible for safeguarding the assets of Suguta Sub-County Hospital.

The Board of Management is responsible for the preparation and presentation of the Suguta Sub-County Hospital's financial statements, which give a true and fair view of the state of affairs of the Suguta Sub-County Hospital for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Suguta Sub-County Hospital, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Suguta Sub-County Hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

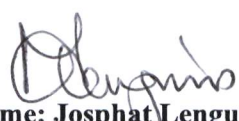
The Board of Management accepts responsibility for the Suguta Sub-County Hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the Suguta Sub-County Hospital's financial statements give a true and fair view of the state of Suguta Sub-County Hospital's transactions during the financial year ended June 30, 2025, and of the Suguta Sub-County Hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Suguta Sub-County Hospital, which have been relied upon in the preparation of the Suguta Sub-County Hospital's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of management to indicate that the Suguta Sub-County Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 28th August 2025 and signed on its behalf by:


Name: **James Lolkurum**
Chairperson, Board of Management


Name: **Josphat Lenguris**
Accounting Officer

REPORT OF THE AUDITOR-GENERAL ON SUGUTA SUB-COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF SAMBURU

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

12

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Suguta Sub-County Hospital set out on pages 1 to 30, which comprise of the statement of financial position as at

30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Suguta Sub-County Hospital as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Samburu County Health Services Act, 2018, the County Governments Act, 2012, and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Non-Disclosure of Inventories

The statement of financial position and Note 17 to the financial statements reflect nil balance in respect to inventories. However, during the year under review, the Hospital had in its custody assorted inventories but Management did not carry out the required annual stock take. This was contrary to Section 162(2) of the Public Procurement and Asset Disposal Act, 2015, which requires the Head of the Procurement Function to conduct both quarterly and annual inventory and stock-taking and submit the report to the Accounting Officer.

In the circumstances, the accuracy and completeness of the inventories nil balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Suguta Sub-County Hospital Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on pages iii to xxii which comprise of Key Hospital Information and Management, The Board of Management,

Report of the Auditor-General on Suguta Sub-County Hospital for the year ended 30 June, 2025 – County Government of Samburu

Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Hospital's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Facilities Improvement Financing Requirements

Audit review revealed that the Hospital neither operated a designated Facilities Improvement Financing (FIF) bank account nor retained all of its own-source revenues, and incurred expenditures without authorized Authority-to-Incur-Expenditure (AIEs) by the County Chief Officer for Health. This was contrary to Sections 5 and 20 of the Facilities Improvement Financing (FIF) Act, 2023, which provides that there shall be retention of all monies raised or received by or on behalf of all public health facilities and that there shall be opened and operated a bank account for every entity into which all monies received by and on behalf of the entities for the facility improvement financing shall be paid into.

In the circumstances, Management was in breach of the law.

2. Non-Compliance with Requirements of the Kenya Quality Model for Health Guidelines

Verification of services offered, equipment used and number of members of staff at the Hospital revealed that, the Hospital operated with inadequate staff and equipment. The Hospital lacked key specialists, including general surgeons, gynecologists, pediatrics,

and radiologists against the required two for each category of specialists. Further, only one (1) anesthesiologists, one (1) medical officer and one (1) pharmacist were available against the required two (2), sixteen (16) and four (4) respectively, and sixteen (17) registered community health nurses were deployed instead of the required seventy-five (75).

Further, the Hospital did not have the following equipment as required of a level 4 hospital;

| Equipment | Level 4 Requirements | Available | Variance |
|--|-----------------------------|-------------------------|-----------------|
| Functional ICU Beds | 6 | 0 | 6 |
| Functional HDU Beds | 6 | 0 | 6 |
| Functional theatres - Maternity, general, orthopedics, pediatrics, ENT, dental and ophthalmology | 7 | One (1) General theatre | 6 |
| Beds | 150 | 60 | 90 |
| Maternity department ward for six delivery coaches | 6 | 2 | 4 |
| New Born Unit with five (5) incubators | 5 | 0 | 5 |
| New Born Unit with five (5) HDU cots | 5 | 0 | 5 |

These deficiencies contravene the First Schedule of Health Act, 2017 and imply that accessing the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weaknesses in Revenue Documentation and Claims Management

The statement of performance and Note 8 to the financial statements reflect medical service income of Kshs.601,354. However, records reviewed revealed that the Hospital incurred a loss of Kshs.433,440 during the year arising from claims rejected by the Social Health Authority. Audit review established that the rejections were due to failure by Management to submit mandatory supporting documents required for claims processing. Despite receiving notification and guidance on the required documentation, the Hospital did not provide the submissions within the prescribed fourteen (14) days. No justification was provided for this non-compliance.

In the circumstances, the effectiveness of the Hospital's internal controls over revenue documentation and claims management could not be confirmed.

2. Lack of Key Policy and Governance Documents

Management did not provide evidence of the existence of key policy documents, including a Strategic Plan, an ICT Policy, and a Risk Management Policy. The absence of these guiding frameworks contravenes Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015, which requires Accounting Officers to develop risk management strategies, including fraud-prevention mechanisms and internal controls necessary for robust business operations.

In the circumstances, the effectiveness of the Hospital's internal controls, risk management, and governance processes could not be confirmed.

3. Use of Personal Email for Official Government Communication

Interviews with Management revealed that all officers use personal email addresses to conduct official government business since the Hospital has not established official institutional email accounts for staff. This is contrary to the Head of Public Service Circular No. SH/ADM/23(1) dated 14 June, 2022 and the Government ICT Standards, 2019, which require public institutions to implement secure and standardized communication systems, including official government email domains. The use of personal email accounts for official communication exposes the Hospital to risks, including unauthorized access, loss of confidentiality, and breach of sensitive information.

In the circumstances, the effectiveness of internal controls over information security, confidentiality, and official communication could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to terminate the Hospital or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Management is responsible for overseeing the Hospital's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 December, 2025

Suguta Sub County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

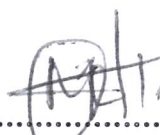
14. Statement of Financial Performance for The Year Ended 30 June 2025

| Description | Notes | 2024-2025 | 2023-2024 |
|---|-------|------------------|-----------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Transfers from the County Government | 6 | - | - |
| In- kind contributions from the County Government | 7 | - | - |
| | | - | - |
| Revenue from exchange transactions | | | |
| Rendering of services- Medical Service Income | 8 | 601,354 | - |
| Revenue from exchange transactions | | 601,354 | - |
| Total revenue | | 601,354 | - |
| | | | |
| Expenses | | | |
| Medical/Clinical costs | 9 | 255,474 | - |
| Employee costs | 10 | 38,600 | - |
| Board of Management Expenses | 11 | 32,000 | - |
| Depreciation and amortization expense | 12 | - | - |
| Repairs and maintenance | 13 | 53,155 | - |
| General expenses | 14 | 348,014 | - |
| Total expenses | | 727,243 | - |
| Net Surplus / (Deficit) for the year | | (125,889) | - |

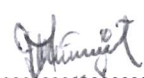
The Hospital's financial statements were approved by the Board on 28th August 2025 and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No: 31412



Medical Superintendent

Suguta Sub County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

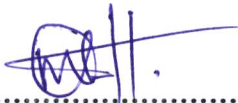
15. Statement of Financial Position As At 30th June 2025

| Description | Notes | 2024-2025 | 2023-2024 |
|--|-------|---------------|-----------|
| | | Kshs | Kshs |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 15 | 28,951 | 0 |
| Receivables from exchange transactions | 16 | - | 0 |
| Inventories | 17 | - | 0 |
| Total Current Assets | | 28,951 | 0 |
| Non-current assets | | | |
| Property, plant, and equipment | 18 | - | 0 |
| Intangible assets | 19 | - | - |
| Total Non-current Assets | | - | 0 |
| Total assets (A) | | 28,951 | 0 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 20 | - | 0 |
| Total Current Liabilities | | - | 0 |
| Net assets (A-B) | | 28,951 | - |
| Represented by: | | | |
| Revaluation reserve | | - | |
| Accumulated surplus/Deficit | | (125,889) | 0 |
| Capital Fund | | 154,840 | 0 |
| Net Assets | | 28,951 | 0 |

The Hospital's financial statements were approved by the Board on 28th August 2025 and signed on its behalf by:



.....
Chairman
Board of Management



.....
Head of Finance
ICPAK No: 31412



.....
Medical Superintendent

Suguta Sub County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

16. Statement of Changes in Net Asset for The Year Ended 30 June 2025

| Description | Revaluation reserve | Accumulated surplus/Deficit | Capital Fund | Total |
|--------------------------------|---------------------|-----------------------------|----------------|-----------------|
| At July 1, 2023 | 0 | 0 | 0 | 0 |
| Revaluation gain | 0 | 0 | 0 | - |
| Surplus/(deficit) for the year | 0 | 0 | 0 | 0 |
| Capital/Development grants | 0 | 0 | 0 | - |
| At June 30, 2024 | 0 | 0 | 0 | 0 |
| | | | | |
| At July 1, 2024 | 0 | 0 | 0 | 0 |
| Capital Fund | 0 | 0 | 154,840 | 154,840 |
| Surplus/(deficit) for the year | 0 | -125,889 | 0 | -125,889 |
| At June 30, 2025 | 0 | -125,889 | 154,840 | 28,951 |

Suguta Sub County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

17. Statement of Cash Flows for The Year Ended 30 June 2025

| Description | Note | 2024-2025 | 2023-2024 |
|---|------|------------------|-----------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from the County Government | | - | - |
| Grants from donors and development partners | | - | - |
| Transfers from other Government entities | | - | - |
| Public contributions and donations | | - | - |
| Rendering of services- Medical Service Income | 8 | 601,354 | - |
| Revenue from rent of facilities | | - | - |
| Finance / interest income | | - | - |
| Miscellaneous receipts(<i>specify</i>) | | - | - |
| Total Receipts | | 601,354 | - |
| Payments | | | |
| Medical/Clinical costs | 9 | 255,474 | - |
| Employee costs | 10 | 38,600 | - |
| Board of Management Expenses | 11 | 32,000 | - |
| Repairs and maintenance | 13 | 53,155 | - |
| General expenses | 14 | 348,014 | - |
| Finance costs | | - | - |
| Refunds paid out | | - | - |
| Total Payments | | 727,243 | - |
| Net cash flows from operating activities | | (125,889) | - |
| Cash flows from investing activities | | | |
| Purchase of property, plant, equipment | | - | - |
| Purchase of intangible assets | | - | - |
| Proceeds from the sale of PPE | | - | - |
| Acquisition of investments | | - | - |
| Net cash flows used in investing activities | | - | - |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | - |
| Less: Repayment of borrowings | | - | - |
| Capital grants received | | - | - |
| Net cash flows used in financing activities | | - | - |
| Net increase/(decrease) in cash and cash equivalents | | (125,889) | - |
| Cash and cash equivalents as at 1 July | | 154,840 | - |
| Cash and cash equivalents as at 30 June | 15 | 28,951 | - |

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025

| Description | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | % of utilisation |
|---|-----------------|-------------|----------------|----------------------------|------------------------|------------------|
| | a | b | c=(a+b) | d | e=(c-d) | f=d/c% |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Revenue | | | | | | |
| Rendering of services- Medical Service Income | 733,900 | 0 | 733,900 | 601,354 | 132,546 | 91% |
| Total income | 733,900 | 0 | 733,900 | 601,354 | 132,546 | 91% |
| Expenses | | | | | | |
| Medical/Clinical costs | 256,500 | 0 | 256,500 | 255,474 | 1,026 | 100% |
| Employee costs | 40,000 | 0 | 40,000 | 38,600 | 1,400 | 97% |
| BOG Expenses | 35,000 | 0 | 35,000 | 32,000 | 3,000 | 91% |
| Repairs and maintenance | 53,700 | 0 | 53,700 | 53,155 | 545 | 99% |
| General expenses | 348,700 | 0 | 348,700 | 348,014 | 686 | 100% |
| Surplus for the period | 733,900 | - | 733,900 | 727,243 | 6,657 | 99% |
| Capital expenditure | - | - | - | (125,889) | 125,889 | |

19. Notes to the Financial Statements

1. General Information

Suguta Sub-County Hospital is established by and derives its authority and accountability from Samburu County Health services act 2018. The Suguta Sub-County Hospital is wholly owned by the Samburu County Government and is domiciled in Samburu County in Kenya. The Suguta Sub-County Hospital's principal activity is to provide health care services to the citizens.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Suguta Sub-County Hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Suguta Sub-County Hospital. The financial statements have been prepared in accordance with the PFM Act, International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

| Standard | Effective date and impact: |
|--|--|
| IPSAS 43 | <p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Suguta Sub-County Hospital.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> |
| IPSAS 45- Property Plant and Equipment | <p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously</p> |

| Standard | Effective date and impact: |
|---------------------------------|--|
| | <p>excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> |
| <p>IPSAS 46 Measurement</p> | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| <p>IPSAS 47- Revenue</p> | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Suguta Sub-County Hospital shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> |

Suguta Sub County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

| Standard | Effective date and impact: |
|--|---|
| IPSAS 48- Transfer Expenses | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> |
| IPSAS 49- Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> |

iii) Early adoption of standards

The Suguta Sub-County Hospital did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Suguta Sub-County Hospital and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Suguta Sub-County Hospital recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Suguta Sub-County Hospital.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/2025 was approved by Board on 18th April 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Suguta Sub-County Hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, Archers Post Sub County Sub Hospital recorded additional appropriations of nil on the FY 2024/25 budget following the Board's approval. The Suguta Sub-County Hospital budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 8 under section 18 of these financial statements.

c. Taxes

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to the Financial Statements (Continued)

d. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of nil years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Suguta Sub-County Hospital recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the Financial Statements (Continued)

f. Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Suguta Sub-County Hospital. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Suguta Sub-County Hospital also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Suguta Sub-County Hospital will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Suguta Sub-County Hospital. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g. Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

Notes to the Financial Statements (Continued)

h. Research and development costs

The Suguta Sub-County Hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Suguta Sub-County Hospital can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- The asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i. Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Suguta Sub-County Hospital does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements.

A financial instrument is any contract that gives rise to a financial asset of one Suguta Sub-County Hospital and a financial liability or equity instrument of another Suguta Sub-County Hospital. At initial recognition, the Suguta Sub-County Hospital measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

The Suguta Sub-County Hospital classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Suguta Sub-County Hospital's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Suguta Sub-County Hospital has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Suguta Sub-County Hospital classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Suguta Sub-County Hospital manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The Suguta Sub-County Hospital assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Suguta Sub-County Hospital recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Notes.

Financial liabilities

Classification

The Suguta Sub-County Hospital classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

Notes to the Financial Statements (Continued)

j. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour, and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower cost and the current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Suguta Sub-County Hospital.

k. Provisions

Provisions are recognized when the Suguta Sub-County Hospital has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Suguta Sub-County Hospital expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Notes to the Financial Statements (Continued)

l. Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Suguta Sub-County Hospital recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Suguta Sub-County Hospital will incur in fulfilling the present obligations represented by the liability.

m. Contingent liabilities

The Suguta Sub-County Hospital does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

n. Contingent assets

The Suguta Sub-County Hospital does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Suguta Sub-County Hospital in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

o. Nature and purpose of reserves

The Suguta Sub-County Hospital creates and maintains reserves in terms of specific requirements.

p. Changes in accounting policies and estimates

The Suguta Sub-County Hospital recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Notes to the Financial Statements (Continued)

q. Employee benefits

Retirement benefit plans

The Suguta Sub-County Hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Suguta Sub-County Hospital pays fixed contributions into a separate Suguta Sub-County Hospital (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

r. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

s. Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

t. Related parties

The Suguta Sub-County Hospital regards a related party as a person or an Suguta Sub-County Hospital with the ability to exert control individually or jointly, or to exercise significant influence over the SSCH, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

Notes to the Financial Statements (Continued)

u. Service concession arrangements

The Suguta Sub-County Hospital analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Suguta Sub-County Hospital* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Suguta Sub-County Hospital* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

v. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

w. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

x. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Suguta Sub-County Hospital's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Suguta Sub-County Hospital based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Suguta Sub-County Hospital. Such changes are reflected in the assumptions when they occur. (IPSAS 1.140)

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Suguta Sub-County Hospital.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. Transfers from the County Government

| Description | FY 2024/2025 |
|---|--------------|
| | KShs |
| Unconditional grants | - |
| Operational grant | - |
| Level 4/5 grants | - |
| Unconditional development grants | - |
| Other grants (<i>specify</i>) | - |
| | - |
| Conditional grants | |
| User fee forgone | - |
| Transforming health services for Universal care project (THUCP) | - |
| DANIDA | - |
| Wards Development grant | - |
| Paediatric block grant | - |
| Administration block grant | - |
| Laboratory grant | - |
| Total government grants and subsidies | - |

6 b Transfers from The County Government

| Name of the Suguta Sub-County Hospital sending the grant | Amount recognized to Statement of financial performance* KShs | Amount deferred under deferred income KShs | Amount recognised in capital fund. | Total grant income during the year | Comparative Period |
|--|--|---|------------------------------------|------------------------------------|--------------------|
| | | | | | |
| | | | KShs | KShs | KShs |
| Samburu County Government | - | - | - | - | - |
| Total | - | - | - | - | - |

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

| Description | FY 2024/2025 |
|---|--------------|
| | KShs |
| Salaries and wages | - |
| Medical supplies-Drawings Rights (KEMSA) | - |
| Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers) | - |
| Utility bills | - |
| Total grants in kind | - |

8. Rendering of Services-Medical Service Income

| Description | FY 2024/2025 |
|---|----------------|
| | KShs |
| Rendering of Services | 601,354 |
| Total revenue from the rendering of services | 601,354 |

9. Medical/ Clinical Costs

| Description | FY 2024/2025 |
|--|----------------|
| | KShs |
| Food and Ration | 203,695 |
| Pharmaceutical and Non-Pharmaceutical expenses | 40,504 |
| Sanitary and cleansing Materials | 11,275 |
| Total medical/ clinical costs | 255,474 |

10. Employee Costs

| Description | FY 2024/2025 |
|-----------------------|---------------|
| | KShs |
| Casual labour | 38,600 |
| Employee costs | 38,600 |

11. Board of Management Expenses

| Description | FY 2024/2025 |
|-----------------|---------------|
| | KShs |
| Board allowance | 32,000 |
| Total | 32,000 |

Notes to Financial Statements Continued

12. Depreciation and Amortization Expense

| Description | FY 2024/2025 |
|--|--------------|
| | KShs |
| Property, plant and equipment | - |
| Intangible assets | - |
| Investment property carried at cost | - |
| Total depreciation and amortization | - |

13. Repairs And Maintenance

| Description | FY 2024/2025 |
|--------------------------------------|---------------|
| | KShs |
| Buildings | 10,875 |
| Medical Equipment | 5,070 |
| Motor vehicle expenses | 37,210 |
| Total repairs and maintenance | 53,155 |

14. General Expenses

| Description | FY 2024/2025 |
|--|----------------|
| | KShs |
| Local traveling, transport, C. Building and Other allowances | 58,400 |
| Bank charges | 3,243 |
| Fuel and Lubricants | 124,700 |
| Printing and stationery | 61,880 |
| Utility bills | 6,937 |
| Administrative expenses | 92,854 |
| Total General Expenses | 348,014 |

15. Cash And Cash Equivalents

| Description | FY 2024/2025 |
|--|---------------|
| | KShs |
| Current accounts | 28,951 |
| Total cash and cash equivalents | 28,951 |

15 (a). Detailed Analysis of Cash and Cash Equivalents

| Description | Account number | FY 2024/2025 |
|---------------------------|----------------|--------------|
| | | KShs |
| a) Current account | | |
| Kenya Commercial bank | 1115185403 | 28,951 |
| Grand total | | 28,951 |

16. Receivables From Exchange Transactions

| Description | FY 2024/2025 |
|------------------------------|--------------|
| | KShs |
| Medical services receivables | - |
| Total receivables | - |

Analysis of Receivables From Exchange Transactions

| Description | FY 2024/2025 | |
|--------------------|--------------|----------------|
| | KShs | |
| Ageing analysis: | FY 2024/2025 | % of the total |
| Less than 1 year | - | % |
| Between 1- 2 years | - | % |
| Between 2-3 years | - | % |
| Over 3 years | - | % |
| Total (a+b) | - | 100% |

17. Inventories

| Description | FY 2025/2026 | FY 2024/2025 |
|--|--------------|--------------|
| | KShs | KShs |
| Pharmaceutical supplies | 0 | 0 |
| Maintenance supplies | 0 | 0 |
| Food supplies | 0 | 0 |
| Linen and clothing supplies | 0 | 0 |
| Cleaning materials supplies | 0 | 0 |
| General supplies | 0 | 0 |
| Less: provision for impairment of stocks | 0 | 0 |
| Total | 0 | 0 |

Suguta Sub County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

| Description | Land | Buildings and Civil works | Motor vehicles | ICT Equipment | Total |
|-------------------------------------|------|---------------------------|----------------|---------------|-------|
| | Ksh | Ksh | Ksh | Ksh | Ksh |
| Depreciation rate | 0% | 2% | 25% | 30% | |
| Cost | | | | | |
| At 1 July 2023 | - | - | - | - | - |
| Additions | - | - | - | - | - |
| At 30th Jun 2024 | - | - | - | - | - |
| Additions | - | - | - | - | - |
| At 30th Jun 2025 | - | - | - | - | - |
| Depreciation and impairment | | | | | - |
| At 1 July 2023 | - | - | - | - | - |
| Depreciation for the year | - | - | - | - | - |
| At 30 June 2024 | - | - | - | - | - |
| Depreciation | - | - | - | - | - |
| At 30th June 2025 | - | - | - | - | - |
| | | | | | |
| Net book values | | | | | |
| At 30th Jun 2024 | - | - | - | - | - |
| At 30th Jun 2025 | - | - | - | - | - |

Suguta Sub County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

19. Intangible Assets-Software

| Description | FY 2024/2025 |
|------------------------------------|--------------|
| | KShs |
| Depreciation rate | 20% |
| Cost | |
| At beginning of the year | - |
| Additions | - |
| Additions-Internal development | - |
| At end of the year | - |
| | |
| Amortization and impairment | |
| At beginning of the year | - |
| Amortization for the period | - |
| At end of the year | - |
| NBV | - |

20. Trade and other Payables

| Description | FY 2025/2026 | | FY 2024/2025 | |
|--|-------------------|-----------------------|------------------------|-----------------------|
| | KShs | | KShs | |
| Trade payables | - | | - | |
| Employee dues | - | | - | |
| Third-party payments (<i>e.g. unremitted payroll deductions</i>) | - | | - | |
| Audit fee | - | | - | |
| Doctors' fee | - | | - | |
| Total trade and other payables | - | | - | |
| Ageing analysis: | Current FY | % of the Total | Compa rative FY | % of the total |
| Under one year | - | % | - | % |
| 1-2 years | - | % | - | % |
| 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total | - | % | - | % |

Suguta Sub County Hospital (Samburu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

21. Cash Generated from Operations

| Description | FY 2025/2026 | FY 2024/2025 |
|--|-----------------|--------------|
| | KShs | KShs |
| Surplus for the year before tax | -125,889 | 0 |
| Adjusted for: | - | - |
| Depreciation | - | - |
| Non-cash grants received | - | - |
| Impairment | - | - |
| Gains and losses on disposal of assets | - | - |
| Contribution to provisions | - | - |
| Contribution to impairment allowance | - | - |
| Working Capital adjustments | - | - |
| Increase in inventory | 0 | - |
| Increase in receivables | - | - |
| Increase in deferred income | - | - |
| Increase in payables | - | - |
| Increase in payments received in advance | - | - |
| Net cash flow from operating activities | -125,889 | 0 |

22. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

23. Ultimate and Holding Suguta Sub-County Hospital

The Suguta Sub-County Hospital is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of Medical Services. Its ultimate parent is the County Government of Samburu.

24. Currency

The financial statements are presented in Kenya Shillings (Kshs) and all values are rounded off to the nearest shilling.

20. **Appendices**

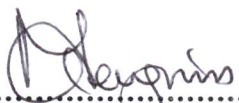
Appendix 1: Progress on Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|--|----------------------------|--|---|
| | | | | |
| | | | | |

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Suguta Sub-County Hospital responsible for the implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Accounting Officer

Appendix II: Projects Implemented by the Suguta Sub-County Hospital

Projects

Projects implemented by the Hospital Funded by development partners

| Project title | Project Number | Donor | Period/ duration | Donor commitment | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements (Yes/No) |
|---------------|----------------|-------|---------------------|------------------|---|---|
| 1 | | | | | | |
| 2 | | | | | | |

Status of Projects completion

| SN | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|----|---------|--------------------|------------------------|----------------------|--------|--------|------------------|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |

**Samburu County Teaching and Referral Hospital (Samburu County Government)
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Appendix III: Inter-Entity Confirmation Letter

Name of Transferring Entity: Samburu County Executive

Name of Beneficiary Entity: Suguta Sub-County Hospital

| Confirmation of amounts received by Suguta Sub-County Hospitalas at 30 th June FY 2024 | | | | | |
|---|----------------|---------------|-----------------|-----------------|---------|
| Reference Number | Date Disbursed | Recurrent (A) | Development (B) | Total (C)=(A+B) | Remarks |
| N/A | N/A | NIL | NIL | NIL | N/A |
| | | | | | |
| | | | | | |
| Total | | | | | |

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:
 Name John Wachira Sign [Signature] Date 28/08/2025

Head of Accounts Department - Beneficiary Entity:
 Name CPA JKOB Mwarahi Sign [Signature] Date 28/08/2025

Samburu County Teaching and Referral Hospital (Samburu County Government)
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Appendix IV Reporting of Climate Relevant Expenditures

| | | | | | | |
|--|--|--|--|--|--|--|
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